



Health Services
LOS ANGELES COUNTY

June 12, 2007

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 4 TO AGREEMENT NO.
H-209965 WITH LOS AMIGOS RESEARCH AND
EDUCATION INSTITUTE, INC.
(4th District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 4 to Agreement No. H-209965, substantially similar to Exhibit I, with Los Amigos Research and Education Institute, Inc. for the continued provision of highly specialized orthotic services at Rancho Los Amigos National Rehabilitation Center, effective July 1, 2007, on a month-to-month basis not to exceed three months, through September 30, 2007, at an estimated cost of \$300,000, to allow time for a replacement Agreement to be completed.
2. Delegate authority to the Director of Health Services to enter into a replacement agreement with Los Amigos Research and Education Institute, Inc., for the period October 1, 2007 through September 30, 2012, for the provision of highly specialized orthotic services in exchange for the provision of ground space on the Rancho Los Amigos National Rehabilitation Center campus, upon approval by County Counsel and the Chief Administrative Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

In approving the recommended actions, the Board is approving the extension of existing highly specialized orthotic services provided by Los Amigos Research and Education Institute, Inc. (LAREI) to continue needed services at Rancho Los Amigos National Rehabilitation Center (Rancho), and delegating authority to the Director to execute a replacement Agreement for the provision of highly specialized orthotic services in exchange for the provision of ground space on the Rancho Los Amigos National Rehabilitation Center campus.

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Director

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

*To improve health
through leadership,
service and education.*



www.ladhs.org

FISCAL IMPACT/FINANCING:

The estimated cost for the extension period is \$300,000 through September 30, 2007. The total estimated cost for the five-year term of the replacement Agreement is \$6.0 million. Funding is included in the Department of Health Services' Fiscal Year 2007-08 Proposed Budget, and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Rancho provides a unique comprehensive rehabilitation program for severely disabled patients. One of the requirements for a successful rehabilitation program is the ability to provide specialized orthotic appliances and services to the patients. LAREI's orthotics program is an established leader in the fields of research and fabrication of customized orthotic devices. The skill with which LAREI staff construct complicated braces and splints reflects a level of expertise not generally available elsewhere in the community. LAREI provides both standard and highly-specialized technically complex orthoses. In exchange for occupying space at Rancho, LAREI provides these highly specialized orthotics services for Rancho patients.

On December 1, 1998, Agreement No. H-209965 was approved by your Board for orthotic services at Rancho by LAREI effective January 1, 1999 through December 31, 2002. Subsequent Amendments extended the term through June 30, 2007 and included Board-mandated Agreement provisions such as revised language for the County's Child Support Compliance Program and Contractor Responsibility and Debarment.

The County reimburses LAREI for services provided to County-responsible patients at current rates for orthoses listed on the Medi-Cal Schedule of Maximum Allowances. LAREI bills third-party payers (Medi-Cal, Medicare, private insurance, etc.) directly for reimbursement of orthotic services rendered for covered patients.

Attachment A provides additional information.

County Counsel has approved the Amendment, Exhibit I, as to form. The replacement Agreement will include all Board-mandated provisions and be approved by County Counsel and the Chief Administrative Office prior to obtaining signature by LAREI.

CONTRACTING PROCESS:

The Agreement is for intermittent, as needed services of a professional nature and therefore not required to meet Proposition A requirements. The County does not have the personnel, technical expertise or the specialized equipment to perform these highly specialized orthotic services.

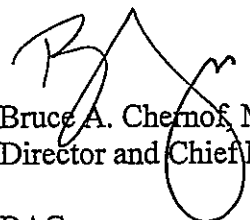
The Honorable Board of Supervisors
June 12, 2007
Page 3

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended actions will ensure that orthotic services at Rancho will not be interrupted and enable Rancho patients to continue to receive specialized orthotics.

Upon approval by the Board of Supervisors, the Executive Officer, Board of Supervisors is requested to return three adopted copies of this letter to DHS.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:r
BL - Rancho Orthotics.rf.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. **TYPE OF SERVICE:**

Orthotic services at Rancho Los Amigos National Rehabilitation Center (Rancho).

2. **CONTRACTOR ADDRESS AND CONTACT PERSON:**

Los Amigos Research and Education Institute, Inc.
P.O. Box 3500
Downey, CA 90242
Attention: Julia LaPlount
Telephone: (562) 401-8111
Facsimile: 562-803-5569
E-Mail: julial@larei.org

3. **TERM OF AGREEMENT:**

Amendment No. 4 is effective July 1, 2007 through September 30, 2007, on a month-to-month basis to execute a replacement Agreement effective October 1, 2007 through September 30, 2012.

4. **FINANCIAL INFORMATION:**

The estimated cost for the extension period is \$300,000 through September 30, 2007. The total estimated cost for the five-year term of the replacement Agreement is \$6.0 million. Funding is included in the Department of Health Services' Fiscal Year 2007-08 Proposed Budget, and will be requested in future fiscal years.

5. **GEOGRAPHIC AREA TO BE SERVED:**

4th District

6. **ACCOUNTABILITY OF MONITORING:**

Administrative staff at Rancho.

7. **APPROVALS:**

Chief Deputy Director: John R. Cochran III

Rancho: Jorge Orozco, Acting Chief Executive Officer

Contracts and Grants: Cara O'Neill, Chief

County Counsel: Sharon A. Reichman, Principal Deputy County Counsel